

Where It's @ Loudoun

News from the Frontier of Innovation

Loudoun County Department of Economic Development

Loudoun Employees Meet with Office Market Research Expert

Mary Petersen, senior vice president for research at Cassidy & Pinkard, presented an overview of the region's commercial office market to members of the economic development, planning, and finance departments August 29.

Petersen stressed that while the Northern Virginia market may seem to be enduring tough times, thanks to the federal government, government contractors, international agencies, and other factors, the area is actually more stable and in a better position than many other major markets nationwide.

The area, and Loudoun in particular, has witnessed a consolidation of the office market since the booming days of 1999 and 2000, as tenants who initially used IPO or venture capital funds to lease more space than they needed have put additional square footage back on the market.

Despite the increasing vacancy rates during the last year and a half, Peterson remains confident that the region will not see a repeat of the difficult times experienced during the late 1980's, when vacant speculative buildings were turned back to lenders. This, she said, is due in part to today's low interest rates, which, when combined with higher equities in buildings than in the 1980's, are allowing building owners to cope longer with partially leased buildings. Additionally, tenants may no longer be occupying space, but many are still managing to make lease payments, keeping the office market cash flow going.

Another consequence of low interest rates and declining financial markets, said Peterson, has been an increase in investors looking to purchase commercial property. At the same time, tenants choosing to sign in today's market can choose from a wealth of options at reduced lease rates.

Though it may take until sometime next year, Peterson does see a return to a more stable office market as Northern Virginia slowly absorbs its excess space. "What we had before was very artificial, like the stock market at the time," she said.

Loudoun County Meets with Economic Twin from Colorado

After watching one another from a distance, government representatives from Douglas County, Colorado finally met face to face with Loudoun County staff in Leesburg the last week of August.

The meetings stretched over two days, and included county tours and

presentations, as well as roundtable discussions with the Colorado group and members of the departments of county administration, economic development, and finance. Topics included land use, the county budget, transportation, facilities management, public works and human resources.

Department's New Prospect Activity—July & August:

- ? Responded to 370 requests for general information
- ? Sent out 166 marketing packages
- ? Delivered 9 proposals and presentations
- ? Conducted 4 tours
- ? Presented 1 Open Door Certificate
- ? Worked with 9 new and 52 on-going prospects

Inside this issue:

Announcements and Expansions 2

Noteworthy 3

Department News 4

Construction Activity 4

(Continued on page 3)

Announcements and Expansions

New & Existing Business



? **Aneco, Inc.** (www.anecoinc.com) has opened a 9,094 square foot branch office in Dulles. Headquartered in Clearwater, Florida, Aneco provides diversified electrical contracting services with more than 800 electricians in the southeast United States. The local Aneco office opened in April and employs approximately 40 people.

software supply company. The new center is located in Sterling and is expected to generate \$20 million in sales annually with its staff of 30 people. Corporate Express supplies computer and office equipment to businesses in 28 countries, including 90% of the U.S. Fortune 500.



? **4Wave Inc.** (www.4waveinc.com) has moved from Alexandria to 7,426 square feet on Eaglewood Court in Dulles. 4Wave specializes in ion beam technology for optical and magnetic thin film deposition and etching. Their 11-person staff includes engineers and scientists with extensive expertise in ion beam sources, deposition and etching. 4Wave has designed more than 100 such systems for some of the largest companies in the world, including IBM. 4Wave also works with CSC ion source products, systems, and their applications. The company hopes to grow to 30 employees by the end of 2003.

? **Cigital** (www.cigital.com), a software development and delivery company based in Dulles, announced the acquisition of \$4 million in venture capital in August. The company plans to use its newly raised capital to accelerate its goal of becoming the pre-eminent provider of solutions and services in the emerging software quality management (SQM) market. As a result, Cigital's local staff of 80 is expected to double during the next year.



? **Corporate Express** (www.corporateexpress.com) has opened a new 25,000 square foot branch of their business-to-business office products, computer, furniture and

? **Innovative Management Concepts** (IMC, www.imcva.com) will be relocating within the county from 7,000 square feet at Willow Pond Plaza to 9,269 square feet at Loudoun Tech Center. IMC, which provides systems engineering and information technology solutions to both government and commercial customers, employs 20 at their Loudoun headquarters and is hiring additional staff.



NORDSTROM



Eager shoppers can purchase mens', womens', and childrens' clothing & accessories at Nordstrom beginning Friday, September 6 at 10am.

Retail Business News

? **Nordstrom's** brand new two-story retail center at Dulles Town Center is having its grand opening celebration September 6. The 140,000 square foot retail store is hiring an estimated 200 people from the area, and joins Hecht's, Lord & Taylor, Sears, and JCPenny as the mall's fifth anchor store. The Nordstrom store is the latest addition to the 554-acre Dulles Town Center project developed by Lerner Enterprises, which features the shopping center, additional retail space, a restaurant park, townhomes and apartments, a hotel, and office space.

Noteworthy

Two Loudoun businesses made the latest *Washington Business Journal* list of the largest metro area commercial printers. **ColorCraft of Virginia**, with a metro-area revenue of \$16.6 million, ranked 12th on the list. The Sterling-based company was founded in 1986 and has 85 employees. **PMR Printing** of Sterling, founded in 1985 and employing 55, tied for 17th with a metro-area revenue of \$7 million.



Loudoun County was included in an August 25 *USA Today* article, "Anti-sprawl fervor meets backlash." *USA Today* writer Haya El Nasser's article detailed the struggles local and regional governments have experienced in their efforts to contain suburban sprawl in the booming areas of Virginia, Massachusetts, and California, while at the same time trying to provide needed housing that is affordable for public servants.

Hospital Corporation of America, which is making a bid to the Virginia state health commissioner to build a new 180-bed hospital in Broadlands, provided more details of their plan in August. According to the *Washington Business Journal*, HCA hopes to start construction in 2003, open in 2007, and eventually employ 524 medical staff & support personnel. The new hospital would replace the existing Northern Virginia Community Hospital in Arlington and the Dominion Psychiatric Hospital in Falls Church. A final decision on the project is expected from the state health commissioner in February or March.



Loudoun's efforts to provide housing for its growing population while preserving its rural character recently received national attention in the *USA Today*.

(Continued from page 1)

While the Douglas County administrator actually arranged for the meeting with Loudoun, the Colorado county, which is located between Denver and Colorado Springs, had been under observation by Loudoun employees for years because of similarities in economic and demographic categories.

As seen in a presentation to the Douglas group by the Department regional economist Sean LaCroix, Douglas is the nation's fastest growing county, while Loudoun is second-fastest, and in 2000 the population of the two counties differed by only 6,000 people. One common result of the two localities' fast growth has been a boom in housing values, due in part to the fact that more than 50% of the houses in both areas have been built since 1990. Also, the houses built are among the largest in the country; the counties also rank #1 and #2 in the U.S. for median number of rooms per house.

Additionally, LaCroix's report showed that both counties have highly-educated, young families with lots of children, and have resident employment concentrated in professional and information sectors. The high levels of education of the residents also helped to drive the income growth in both localities, so that Douglas ranks #1 and Loudoun ranks #3 in the nation for median household income.

Loudoun County Board of Supervisors Chairman Scott York said he looks forward to continuing the relationship with Douglas County. "This is a good opportunity to do a sister county project with Douglas County ...we will continue the relationship and get to know each other better not just on growth issues but all aspects of government."



County administrators and employees from Douglas County, Colorado and Loudoun County met in August to discuss common growth-related issues.



Loudoun County Department of Economic Development

1 Harrison Street, SE, 5th Floor
P.O. Box 7000
Leesburg, Virginia 20177
Phone: 703-777-0426
Toll Free: 1-800-loudoun
Fax: 703-771-5363

VISIT US ON THE WEB AT:
WWW.LOUDOUN.GOV/BUSINESS

Department News

DED's Robyn Bailey attended the annual election meetings for the Greater Washington Initiative's **Area Business Development Officials Committee (ABDOC)** August 8 and 9. Richard Story, chief executive officer of Howard County's Economic Development Authority, is the new ABDOC chair while Michael Stevens, president of the Washington, DC Marketing Center, will serve as ABDOC vice chair. ABDOC is comprised of 21 D.C.-area economic development leaders.

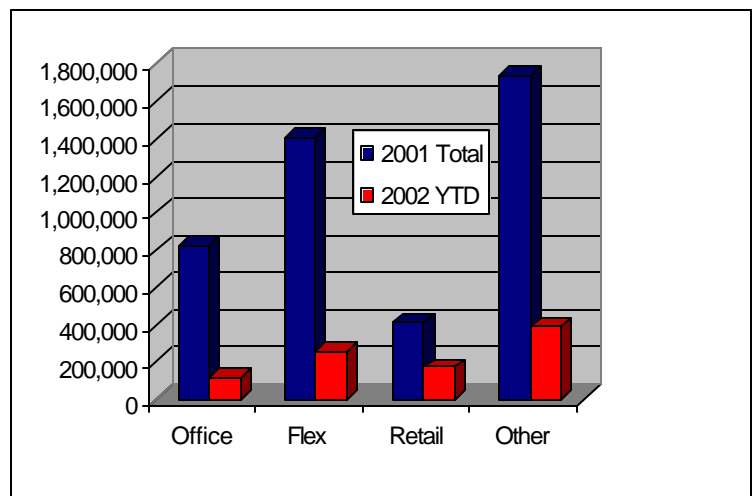
DED's Lou Nichols, Robyn Bailey and Sandy Denahm participated in assisting county citizens with **the Loudoun Zoning Ordinance Hotline** in August. The hotline provided an opportunity for residents to inquire about zoning changes that will result from the Revised Comprehensive Plan.

Pam Treadwell attended the **Metropolitan Washington Airports Authority (MWAA)** Air Service Planning & Development Industry Input Meeting in August. At the meeting, MWAA announced that Dulles Airport was above the national average for international passenger business in 2001, despite September 11. Trends discussed also suggested that a growing number of low-fare carriers and the increased use of corporate jets are having an effect on passenger levels at Dulles and the long-term viability of traditional carriers.

Construction Activity

In June and July 2002, Loudoun County permitted a total of 390,034 square feet of nonresidential construction. The combined value of new buildings (\$20,055,005) and alterations (\$3,389,142) is over \$23.4 million.

- ? Office — 39,832 SF in June and 0 SF in July
- ? Flex/Industrial — 37,344 SF in June and 0 SF in July
- ? Retail — 0 SF in June and 146,343 SF in July
- ? Other — 128,385 SF in June and 38,164 SF in July
- ? Taxable — 121,385 SF in June and 183,495 SF in July
- ? Route 28 — 58,279 SF in June and 0 SF in July



Nonresidential Construction — Square Feet Permitted
2001 Total and January-July 2002